GOVERNMENT OF INDIA
HOME AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:376
ANSWERED ON:24.07.2001
FAKE CURRENCY RACKET
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Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether the Government are aware of the rackets involved in fake Indian currency including smuggling are thriving in the country from the neighbouring countries;

(b) if so, the details in this regard;

(c) the number of such cases reported during the last three years, State-wise;

(d) whether the reports of the National Security Council Secretariat have revealed the circulation of fake currency identical to the genuine ones; and

(e) if so, the details of steps taken by the Government to check the smuggling as well as printing of fake Indian currency notes in the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (I.D. SWAMI)

(a) to (d): Cases of circulation/seizure of fake currency notes are reported from time to time from various parts of the country. Available information indicates that fake Indian currency notes are being clandestinely inducted into the country from across the Indo-Pak border and Indo-Nepal border, besides being fabricated in India through a variety of techniques involving the use of printers press, colour photocopiers, scanners and colour printers.

A statement showing the number of cases of seizure of counterfeit currency during the last three years as received from National Crime Records Bureau is enclosed at Annexure-I.

(e): `Police` and `Public` Order are State subjects as per the Seventh Schedule to the Constitution of India and as such, registration, investigation, detection and prevention of crimes including cases of counterfeit currency is primarily the responsibility of the State Governments. However, the Union Government has taken the following steps:

(i) The Central Bureau of Investigation has created a special unit for exclusive investigation of counterfeit currency notes. The Border Security Force has alerted its forward troops to be more vigilant so as to ensure that such currency notes are not smuggled into the country.

(ii) A High Level Committee has been constituted with representations from the Department of Economic Affairs, Reserve Bank of India, Ministry of Home Affairs/National Security Council Secretariat, to go into the entire gamut of issues pertaining to the circulation of fake Indian currency.

(iii) A six-member Fact Finding Committee was set up under the convenorship of Shri V.K. Gaikwad, Dy. General Manager, RBI, comprising experts on note-printing/currency paper etc. for examining the fake notes seized in the past in order to enable the Government to take remedial action vis-Ã -vis printing and security features. The Committee has submitted its report.

(iv) RBI has been advised to go in for a publicity campaign about security features incorporated in the genuine notes.

The Reserve Bank of India has taken the following steps:

(i) The security features of Rs. 500 denomination notes has been widely publicized in the print media to help the people detect fake notes..

(ii) A film on security features of Rs. 500 denomination notes produced in English, Hindi and other regional languages has been telecast on Doordarshan.

(iii) For the benefit of public, a booklet has been brought out which inter-alia, describes the features of genuine notes. This booklet has

been placed on the RBI website besides being available to the public for sale at RBI`s issue offices.

The Ministry of External Affairs have taken up the matter with His Majesty`s Government of Nepal. Both the sides have expressed determination to take urgent necessary steps to prevent the misuse of Nepalese territory directed against India.

ANNEXURE-I

Statement showing Number of Cases of Seizure of Counterfeit Currency during 1998,1999 and 2000

Sl. No.	State/UT	No. of Cases		
	States	1998	1999	2000
1	Andhra Pradesh	68	27	117
2	Arunachal Pradesh	1	2	3
3	Assam	33	61	40
4	Bihar	NA	NA	NA
5	Goa	5	6	36
6	Gujarat	24	173	42
7	Haryana	13	53	18
8	Himachal Pradesh	3	2	1
9	Jammu & Kashmir	9	29	12
10	Karnataka	72	98	668
11	Kerala	44	65	51
12	Madhya Pradesh	35	51	5
13	Maharashtra	84	329	83
14	Manipur	14	16	13
15	Meghalaya	2	3	2
16	Mizoram	11	55	11
17	Nagaland	4	7	4
18	Orissa	0	1	4
19	Punjab	7	4	43
20	Rajasthan	185	42	53
21	Sikkim	5	0	0
22	Tamil Nadu	64	61	84
23	Tripura	1	1	8
24	Uttar Pradesh	35	141	134
25	West Bengal	30	26	59
	TOTAL(States)	704	1253	1491
	Union Territories			
26	A & N Islands	0	0	0
27	Chandigarh	0	1	7
28	D & N Haveli	0	0	0
29	Daman & Diu	0	0	1
30	Delhi	17	86	10
31	Lakshadweep	0	0	0
32	Pondicherry	11	9	5
	TOTAL (UTs)	28	96	23
	TOTAL(All- India)	732	1349	1514

NA - Data Not Available